

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Legal Affairs and Enforcement Division
Phone: (360) 407-3359
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OFFICE OF
INSURANCE COMMISSIONER

5871 08/20/01 \$2,500.00

IN THE MATTER OF)

XL SPECIALTY)
INSURANCE COMPANY)

CONSENT ORDER LEVYING A FINE

No. D 2001-86

An Authorized Insurer.)

FINDINGS OF FACT:

1. XL Specialty Insurance Company ("XL Specialty" or "Company") is an insurer authorized to write property and casualty insurance in the State of Washington.
2. RCW 48.05.390 and WAC 284-07-010 require each insurer authorized to write property and casualty insurance in the State of Washington to submit annually a special liability insurance report. The report covering the period ending December 31 of each year must be submitted no later than May 1 of the following year.
3. XL Specialty failed to submit its special liability insurance report covering the period January 1, 2000 to December 31, 2000 by the end of business May 1, 2001. On May 10, 2001, Office of Insurance Commissioner (OIC) Senior Actuary D. Lee Barclay sent the Company a letter informing it that if the OIC did not receive the report by June 1, 2001, the Company would be assessed a fine of at least \$2,500. The special liability insurance report did not arrive at the Office of Insurance Commissioner until July 2, 2001.

CONCLUSIONS OF LAW:

1. The failure of XL Specialty to submit the special liability insurance report no later than May 1, 2001 is a violation of RCW 48.05.390.
2. The failure of XL Specialty to submit the special liability insurance report no later than May 1, 2001 is a violation of WAC 284-07-010.
3. RCW 48.05.185 authorizes the Insurance Commissioner to impose a fine in lieu of the suspension or revocation of a Company's certificate of authority.

CONSENT TO ORDER:

XL Specialty Insurance Company wishes to resolve this matter without further administrative or judicial proceedings and, therefore, hereby admits to the foregoing

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ORIGINAL

OFFICE OF INSURANCE COMMISSIONER

Findings of Fact and Conclusions of Law. The Company hereby consents to the entry of this order.

By agreement of the parties, the OIC will impose a fine of Two Thousand Five Hundred Dollars (\$2,500) upon XL Specialty Insurance Company.

This fine must be paid in full within thirty days of the entry of this order. Pursuant to RCW 48.05.185, failure to pay the fine timely shall constitute grounds for the revocation of the insurer's certificate of authority, and for the recovery of the fine in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED this 6th day of August, 2001 by:

XL SPECIALTY INSURANCE COMPANY

Signed by:

Typed Name: Ben M. Llaneta, Jr.

Typed Corporate Title: Vice President, Legal

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of Two Thousand Five Hundred Dollars (\$2,500) upon XL Specialty Insurance Company. The fine must be paid in full within thirty days of the entry of this order in Olympia, Washington. Failure to pay the fine timely shall constitute grounds for the revocation of the insurer's certificate of authority, and for the recovery of the fine in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT OLYMPIA, WASHINGTON on this 23rd day of August, 2001.

MIKE KREIDLER
Insurance Commissioner

By: Matthew Krieger, by direction
Matthew Krieger
Legal Affairs Division
Office of Insurance Commissioner